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TENTH FEDERAL RESERVE DISTRICT

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CHARACTERISTICS OF TENTH DISTRICT AGRICULTURE

Agriculture is a changing industry. New developments make it desirable for farmers to change their methods of production, marketing, and family living. The changes that occur in farming are important to all people, since practically all food consumed is provided by agriculture. In addition, many of the people employed outside of agriculture are servicing various aspects of the agricultural industry. When farmers discontinue using horse power and substitute motor trucks and tractors, farm demand for services also changes. Many of the changes that are occurring in agriculture, such as those in mechanization, electrification, size of unit, and land tenure, influence social and economic conditions in the community. In view of the importance of changing conditions in agriculture, the Federal Government takes a census of agriculture each five years. The 1950 census is of particular interest, since the data provided indicate the changing characteristics of farming from 1945 to 1950, a postwar period of relatively full employment and prosperity.

A census of agriculture has been taken with each decennial census of population since 1840. Mid-decennial censuses of agriculture also were taken in 1925, 1935, and 1945. The data that are enumerated and tabulated from census to census are not always exactly comparable. An intensive effort is made to obtain a practical schedule which will provide accurate and useful information on agriculture that is not readily available from other sources. Under these conditions, the schedules are improved and revised so as to take changing conditions into account from census to census. Such revisions frequently make it necessary to change definitions of terms, revise the wording of questions, delete questions asked in previous censuses, and add new questions to the schedule. It also has been necessary at times to take the census at different seasons of the year and to use different methods for enumerating the farms in the United States. The changes that occur from census to census are made in order to improve the accuracy and usefulness of the data. However, in spite of all these variations, much valuable and useful information on agriculture can be obtained from the census.

One of the principal revisions made in the 1950 census was in the definition of a farm. Places of three or more acres were counted as farms if agricultural products with a value of $150 or more, exclusive of products of home gardens, were produced during 1949. Places of less than three acres were counted as farms only if the value of agricultural products sold amounted to $150 or more. This definition differs slightly from that used in the 1940 and 1945 censuses. It has been estimated that about 200,000 of the 475,000 decrease in the number of farms in the United States from 1945 to 1950 can be attributed to the change in the definition of a farm.

Preliminary summaries of the data collected in the 1950 census of agriculture have just been completed by counties and states and preliminary estimates have been made for the United States as a whole. A few of the results of these preliminary summaries and estimates will be discussed in the subsequent sections of this article.

Number and Size of Farms All of the censuses of agriculture have provided data on the number and size of farms. Although minor variations have been made in the definition of a farm and in methods of enumeration, the data are useful for determining trends in number and size. Various methods can be used for measuring the size of a farm. The best method frequently depends on the use to be made of the data. In the 1950 census of agriculture, several measures of size were used. In this discussion, data on total land area in the farm and total value of products sold will be presented.

In the seven states, all or parts of which are included in the Tenth District, and for the United States as a whole, the trend toward fewer and larger farms

NUMBER AND AVERAGE SIZE OF FARMS

	Number of Farms		Average Acreage	
	1950	1945	1950	1945
Colorado	45,578	47,618	832.7	760.6
Kansas	131,394	141,192	370.0	344.1
Missouri	230,045	242,934	152.7	145.2
Nebraska	107,183	111,756	442.6	427.3
New Mexico	23,599	29,695	2,013.7	1,670.6
Oklahoma	142,246	164,790	253.1	219.4
Wyoming	12,614	13,076	2,727.1	2,532.6
Seven states	692,659	751,061	414.4	381.7
United States	5,384,000	5,859,169	210.5	194.8

SOURCE: U. S. Department of Commerce, 1950 Census of Agriculture.

has continued from 1945 to 1950. The number of farms in the seven states of the Tenth District declined at about the same rate from 1945 to 1950 as did the number for the United States as a whole. Each of the seven states had fewer farms in 1950 than in 1945. The decline in the number of farms can be attributed largely to the continuing mechanization of agriculture, which enables each farm worker to handle a larger acreage, and to the opportunities for non-agricultural employment that are available for farm workers. The declining number of farms, along with an almost constant total acreage of land in farms in the United States, has resulted in an increase in the average number of acres per farm.

In the United States, the increase in the average number of acres per farm from 1945 to 1950 was 8 per cent. In the seven states of the Tenth District, the increase varied from 4 per cent in Nebraska to 21 per cent in New Mexico. However, the large increase in size in New Mexico may not be comparable to the increases in many other states, since Indian reservations are important in that area and the Bureau of the Census made some major changes in method for enumerating farms on Indian reservations.

With the exception of Missouri, the average number of acres per farm for all of the seven District states is significantly larger than that for the United States. This can be explained by the extensive nature of agriculture throughout a large part of the Tenth District and by the relatively high degree of mechanization in agriculture that is prevalent in this area.

FARMS CLASSIFIED BY NUMBER OF ACRES PER FARM

	Number of Farms			
	Seven District States		United States	
Acres per Farm	1950	1945	1950	1945
Under 10	41,908	53,470	511,000	594,561
10 - 29	48,776	54,851	865,000	945,608
30 - 49	45,884	51,937	627,000	708,796
50 - 69	27,259	28,316	426,000	472,415
70 - 99	68,187	77,746	617,000	684,905
100 - 139	59,978	64,160	565,000	633,851
140 - 179	97,742	114,667	520,000	565,958
180 - 219	43,326	44,618	274,000	282,839
220 - 259	45,648	46,511	210,000	210,376
260 - 499	123,752	126,658	474,000	473,184
500 - 999	53,587	52,655	179,000	173,777
1,000 and over	36,686	35,472	116,000	112,899

SOURCE: U. S. Department of Commerce, 1950 Census of Agriculture.

In addition to information on the average number of acres of land per farm, the prevalence of farms of different sizes frequently is of interest. The Bureau of the Census has tabulated the number of farms by twelve size groups. In both the United States and in the seven District states, the small and medium-sized farms decreased in number from 1945 to 1950, while the large farms increased. For the United States as a whole, the number of farms in all size groups of less than 220 acres definitely decreased from 1945 to 1950. In the seven states, the number decreased for all size groups of less than 500 acres. There were more farms of 10-29 acres in size in the United States than there were in any other size group used by the Bureau of the Census. In the seven states, the 260-499 acre size group included the largest number of farms, although there was considerable variation among the different states in the area. In Colorado, New Mexico, and Wyoming, the largest numbers of farms were in the size group of 1,000 acres and over; in Kansas, Nebraska, and Oklahoma in the 260-499 acre size group; and in Missouri in the 70-99 acre size group.

FARMS CLASSIFIED BY TOTAL VALUE OF PRODUCTS SOLD IN 1949

	Seven District States		United States	
Total Value of Products Sold	Number of Farms	% Distribution	Number of Farms	% Distribution
No sales	31,372	4.5	536,000	10.0
$1 to $249	60,983	8.8	628,000	11.7
$250 to $399	32,903	4.8	319,000	5.9
$400 to $599	33,335	4.8	336,000	6.2
$600 to $999	53,287	7.7	501,000	9.3
$1,000 to $1,499	53,659	7.7	434,000	8.0
$1,500 to $2,499	86,818	12.5	607,000	11.3
$2,500 to $3,999	95,372	13.8	596,000	11.1
$4,000 to $5,999	85,246	12.3	479,000	8.9
$6,000 to $9,999	82,445	11.9	487,000	9.0
$10,000 and over	77,239	11.2	461,000	8.6
Total	692,659	100.0	5,384,000	100.0

SOURCE: U.S. Department of Commerce, 1950 Census of Agriculture.

In the 1950 census of agriculture, farms were divided into eleven groups on the basis of the total value of products sold in 1949. This division of farms is of interest, since it is an indication of the number of farms yielding varying levels of income available for spending and investment. For the United States as a whole, the largest number of farms was included in the group with $1 to $249 worth of products sold during 1949. More than one fifth of all farms in the United States sold less than $250 worth of products. In the seven District states, the group with the largest number of farms was that with $2,500 to $3,999 worth of products sold. In this area, only about one tenth of the farms had a total value of products sold

of less than $250, and approximately two thirds of the farms sold products amounting to more than $1,500. It should be pointed out that many of the farms with a low total value of products sold were part-time or residential farms. A majority of the individuals living on farms with a total value of products sold of less than $250 worked on off-farm jobs a considerable proportion of the time. More than one half of the farms with less than $250 worth of product sales in the seven states of this District are located in the state of Missouri, a large part of which is outside the boundaries of the Tenth District. Missouri has many residential and part-time farms, since it has a much larger urban population than other states of the Tenth District.

Types of Farming Mechanization and improved marketing, transportation, and communication facilities have encouraged many farmers to specialize in the production of certain commodities. Some farmers place major emphasis on the production of cash grain crops such as wheat, corn, oats, or grain sorghums. Others choose to concentrate on cattle, hogs, dairy products, or some other kind of enterprise. This tendency toward specialization has resulted in the development of different types of farming. Since it is useful to know the types of farming that are prevalent in a given area, the Bureau of the Census has classified the various farms by type.

The most prevalent type of farm in the seven District states was that of livestock other than dairy and poultry. A large proportion of these farms were beef cattle farms, although a considerable number of hog and sheep farms were included in this group. The second most prevalent type of farm in the seven states was the miscellaneous farm. This group of farms was composed primarily of part-time, residential, and abnormal farms. These farms are of little significance insofar as commercial agriculture is concerned, but the large number of miscellaneous farms is an indication that many people live on small farms and supplement their nonfarm incomes by producing small quantities of agricultural products for home use and for sale. Cash grain farming was the second most important type of commercial farming in the seven states. A major proportion of these farms were wheat farms, although many of these farms produced corn, oats, barley, and grain sorghum as cash crops. General farm and dairy farms also were of considerable importance in the seven states.

In the 1950 census, farms also were grouped by economic class, in order to provide basic data on the organization of United States agriculture. This classification of farms was made on the basis of total value of farm products sold, number of days the farm operator worked off the farm, and the relationship of the income received from nonfarm sources by the farm operator and members of his family to the value of all farm products sold. In general, all farms with farm product sales amounting to $1,200 or more were classified as commercial. Farms with product sales of $250 to $1,199 were classified as commercial if the farm operator worked off his farm less than 100 days during 1949 and if the income of the farm operator and his family received from nonfarm sources was less than the total value of all farm products sold. Part-time farms were defined as farms with a value of farm products sold of $250 to $1,199, with the operator working 100 days or more off his farm in 1949 or with the operator or members of his family receiving more income from nonfarm sources than from the sale of farm products. Farms with sales of all farm products of less than $250 were classified as residential farms; while county, state, private, institutional, and experimental farms were designated as abnormal. In the seven District states, commercial farms

NUMBER OF FARMS CLASSIFIED BY TYPE OF FARMING IN 1949

Type of Farm	Colorado	Kansas	Missouri	Nebraska	New Mexico	Oklahoma	Wyoming	Seven States
Cash grain	9,288	41,264	13,100	33,272	2,409	20,091	1,978	121,402
Cotton	0	0	13,278	0	2,658	15,640	0	31,576
Other field crop	1,918	110	547	628	465	3,373	265	7,306
Vegetable	1,066	219	443	77	164	538	22	2,529
Fruit and nut	958	143	620	69	267	462	5	2,524
Dairy	3,114	8,534	29,750	2,820	647	8,336	836	54,037
Poultry	1,148	2,861	6,832	1,900	234	2,027	127	15,129
Other livestock	12,380	36,502	78,223	43,294	5,769	24,517	5,778	206,463
General	6,147	22,174	21,058	17,695	1,406	17,242	1,436	87,158
Miscellaneous	9,559	19,587	66,194	7,428	9,580	50,032	2,167	164,547

SOURCE: U. S. Department of Commerce, 1950 Census of Agriculture.

NUMBER OF FARMS, BY ECONOMIC CLASS, 1949

	Commercial	Part-time	Residential	Abnormal
Colorado	36,431	4,130	4,958	59
Kansas	112,187	9,010	10,023	174
Missouri	164,586	29,038	36,280	141
Nebraska	100,019	3,664	3,447	53
New Mexico	14,116	2,599	6,796	88
Oklahoma	92,619	19,975	29,524	128
Wyoming	10,535	1,036	992	51
Seven states	530,493	69,452	92,020	694

SOURCE: U. S. Department of Commerce, 1950 Census of Agriculture.

were much more important than all the other economic classes combined. However, part-time and residential farms are of considerable importance in each of the states.

Farm Tenure The proportion of farms operated by full owners and part owners increased from 1945 to 1950. This trend toward farm ownership by operators was more pronounced in the seven states of the Tenth District than it was for the United States as a whole. Full owners represented a larger proportion of all operators in the United States as a whole than in the seven District states. However, there was a larger proportion of part owners in the seven states. The proportion of farmers that were tenants was approximately the same in the seven states as in the United States.

There was considerable variation in farm tenure among the seven states. In Colorado, Missouri, and New Mexico, full-owner operators predominated, while tenancy was relatively low. In Kansas and Wyoming, part ownership by operators was more

FARM TENURE

	Percentage of Operators Who Were					
	Full Owners		Part Owners		Tenants	
	1950	1945	1950	1945	1950	1945
Colorado	52	49	25	23	23	28
Kansas	39	38	31	26	30	36
Missouri	64	60	16	13	20	27
Nebraska	36	30	25	22	39	48
New Mexico	63	62	24	24	13	14
Oklahoma	45	43	23	17	32	40
Wyoming	49	46	34	34	17	20
Seven states	50	47	23	19	27	34
United States	58	57	15	11	27	32

SOURCE: U. S. Department of Commerce, 1950 Census of Agriculture.

common than in any of the other seven states or in the United States as a whole. The percentage of tenancy was highest in Nebraska, Oklahoma, and Kansas. Even though there was considerable variation in farm tenure among the states within the Tenth District, the proportion of operators that were full owners increased and the proportion of tenant operated farms decreased in all District states from 1945 to 1950. This trend during the past five years probably can be accounted for largely by more prosperous agricultural conditions and by the movement of some of the marginal tenants into more profitable alternative employment.

Farm Equipment and Facilities Farmers in the District are continuing to substitute machinery for labor. Grain combines, corn pickers, and pickup hay balers are common on farms where this type of specialized equipment is adaptable. The numbers of motor trucks and tractors on farms in the seven District states have increased signifi-

FARM EQUIPMENT
(In thousands)

	Trucks		Tractors		Autos	
	1950	1945	1950	1945	1950	1945
Colorado	43	29	53	33	49	45
Kansas	89	61	146	117	134	134
Missouri	77	47	126	76	163	165
Nebraska	54	34	128	96	121	119
New Mexico	15	12	16	11	15	15
Oklahoma	60	44	72	70	83	101
Wyoming	13	9	16	10	13	11
Seven states	351	236	557	413	578	590
United States	2,159	1,490	3,566	2,422	4,175	4,148

SOURCE: U.S. Department of Commerce, 1950 Census of Agriculture.

cantly from 1945 to 1950. The increasing size of the farm business, the development of improved equipment, better roads and highways, the necessity for commercial farms to operate at near capacity in order to maintain profits, and increasing competition from nonagricultural sectors of the economy for labor have encouraged farmers to use more and better equipment. Motor trucks, tractors, and automobiles are a necessity on most commercial farms today. Furthermore, on the larger commercial farms these items of equipment are used intensively. Consequently, there is a need for adequate facilities for repair and replacement of this equipment in all commercial agricultural areas.

Although electricity has been used on a few farms for many years, it was not available on most farms in the United States or in the seven states of the Tenth District until recent years. Since the end of World War II, an intensive effort has been made to provide electricity to American farms. This effort has resulted in an increase of 46 per cent from 1945 to 1950 in the number of farms in the United States reporting the use of electricity. This increase in electrification of farms occurred even though the total number of farms in the United States during this time decreased 9 per cent. The extension of electric lines to farms has done much to make farm life more enjoyable and efficient. This development has also created a vast market for electrical supplies and equipment. With tractors, trucks, automobiles, and other specialized machinery already prevalent on farms, it is likely that the next major development in farm mechanization may be an increase in the use of equipment which enables farm people to utilize electrical energy more extensively. Such a development will not only add to the comforts of farm living but will enable farmers to perform many production tasks more easily and more effectively.

Telephone service in the seven District states and in the United States was not as prevalent on farms in 1950 as was electrical service. In the seven states, 50 per cent of the farms had telephone service compared with 71 per cent having electrical service. In

FARM FACILITIES

	Percentage of Farms Reporting			
	Electricity		Telephones	
	1950	1945	1950	1945
Colorado	81.2	58.8	59.2	46.2
Kansas	74.6	38.2	68.5	64.5
Missouri	69.1	31.3	46.5	44.9
Nebraska	77.4	42.1	65.3	56.4
New Mexico	59.3	30.3	16.9	10.1
Oklahoma	65.4	28.5	33.0	24.9
Wyoming	71.3	53.5	39.6	30.6
Seven states	71.2	35.7	50.2	44.3
United States	77.8	47.6	38.8	31.8

SOURCE: U.S. Department of Commerce, 1950 Census of Agriculture.

the United States, 39 per cent of the farms had telephone service compared with 78 per cent with electrical service. Although a telephone is not as much of a convenience on a farm as is electricity, it can add much to the enjoyment of living on a farm and in many instances is profitable in that it can be used for business calls and to avoid many trips to neighbors or to the trading center. The average distance to the trading center most frequently visited ranged from 15 miles in Wyoming to 6 miles in Missouri. Thus, considerable time can be saved and expense avoided by having a telephone available.

Analysis By Type-of-Farming Areas

Data collected by the Bureau of the Census are not summarized by type-of-farming areas. In order to determine the principal characteristics of agriculture by type-of-farming areas for the purposes of this article, several typical counties were selected for analysis from each major type-of-farming area in the Tenth District. Although the number of counties analyzed in each area was small, the indicated characteristics should be representative. It should be pointed out, however, that there is considerable variation in the kinds of farming followed within each type-of-farming area.

The wheat and small grain area, which includes roughly the western two thirds of Kansas, northwestern Oklahoma, eastern Colorado, and southwestern Nebraska, is one of the major type-of-farming areas in the Tenth District. The typical farm in this area tends to be large, with farms of 1,000 acres and over having increased significantly in number from 1945 to 1950 and most other size groups having declined in importance. A relatively large proportion of the farms in this area had product sales in excess of $10,000 during 1949. About 90 per cent of the farms in the area are commercial farms. Part-time and residential farms are relatively unimportant. As a whole, farms in this area are more highly mechanized than those in the other type-of-farming areas.

The Corn Belt area of the Tenth District is located in northwestern Missouri, northeastern Kansas, and the eastern half of Nebraska. Corn Belt farms in the Tenth District tend to be somewhat smaller than the small grain farms, the most typical size group being the 260 to 499 acre group. These farms did not increase in size from 1945 to 1950 as rapidly as did the small grain farms. However, almost 90 per cent of the farms in this area are commercial farms, with part-time and residential farms relatively unimportant. Total value of products sold on the typical Corn Belt farm was in the range of $4,000 to $10,000 during 1949. The farms in general are rather highly mechanized in this area but not to the same extent that farms in the small grain area are. Tractors, automobiles, and corn pickers are quite prevalent, but only a relatively small proportion of the farms have motor trucks.

Much of the land area in the Tenth District is used for the grazing of range livestock. The major grazing areas include the high plains to the east of the Rocky Mountains; the mountain areas in Wyoming, Colorado, and New Mexico; southwestern Wyoming; western Colorado; western New Mexico; and the Flint Hills and Osage pasture sections of Kansas and Oklahoma. The typical ranch in the grazing regions is larger than 1,000 acres; however, there is a considerable number of smaller farms interspersed throughout the area. A substantial proportion of the farms reported a total value of products sold in excess of $10,000 during 1949, although approximately one fourth of the farms in these areas are part-time and residential farms with a small total value of products sold. The farms in the grazing areas are mechanized to a rather high degree, but the need for specialized machinery is not so great on a large ranch as it is on the small grain or Corn Belt farms.

Cotton farms in the Tenth District are found largely in southern Oklahoma and in some of the irrigated areas of New Mexico. Farms in the cotton area tend to be small in size; for the Tenth District, the most typical size is around 160 acres. Almost one half of the farms in the cotton area had a total value of products sold of less than $1,500 during 1949. Approximately 35 per cent of the farms in the cotton area are part-time or residential.

There are two rather large general farming areas in east-central Oklahoma and in northeastern Oklahoma and southeastern Kansas. The most typical size group for this area is the 260 to 499 acre group. Only a very small proportion of the farms are larger than 500 acres. Approximately one third of the farms in this area are part-time or residential farms. More than one half of the farms in this area had product sales of less than $1,500 during 1949. The farms in these areas are not highly mechanized as compared with small grain or Corn Belt farms.

Summary The trend toward fewer farms of larger size has continued since World War II in both the Tenth District and the United States. The average size of farms is significantly larger in the Tenth District than in the United States as a whole, whether measured in terms of total acres or in terms of total value of products sold. The most common type of farming found in the seven District states is livestock farming other than dairy or poultry. Cash grain farming also is important throughout large parts of the area. Although part-time and residential farms are of some importance in the District, they are not of the same relative importance as in the United States as a whole.

There was a definite trend toward owner operation of an increasing proportion of farms between 1945 and 1950, while tenant operated farms declined in importance. These trends were more pronounced in the Tenth District than in the United States as a whole.

The trend toward a more highly mechanized agriculture continued during the period from 1945 to 1950. Increases in the number of motor trucks and in the number of farms that use electricity have been particularly significant.

Although there is marked variation in the characteristics of farms among the different type-of-farming areas, the trends have generally been similar for the different areas. The primary differences have been in the rates at which changes occurred and in the size and distribution of the units among the different areas.

BUSINESS CONDITIONS

MEMBER BANK CREDIT

Loan volume of all District member banks expanded by 31 million dollars, or 1.5 per cent, from November 28 to December 26, 1951, the fifth successive monthly increase since the end of July. The total growth in this five-month period was 140 million dollars, or 7.3 per cent, only slightly more than half of the increase which occurred in the comparable period of 1950. The growth at District reserve city banks during these five months totaled 88 million dollars, or 7.7 per cent, while at country banks the increase was 52 million dollars, or 6.6 per cent. Virtually all of the loan increase during the four weeks ending December 26 occurred at reserve city banks and was concentrated in Kansas City, Missouri, Denver, and Tulsa. At banks in Kansas City and Denver, the expansion was predominantly commercial and industrial loans, while at Tulsa commercial and industrial loans, along with loans to banks, accounted for the largest part of the increase.

Government security holdings at country banks increased by 12 million dollars and at reserve city banks by 46 million dollars during the period from November 28 to December 26. Among city banks, a major part of the rise occurred in Tulsa, where bill portfolios increased from 31 million to 75 million dollars, more than counterbalancing the reduction which occurred at banks in that city during the week preceding the Oklahoma intangibles tax assessment on December 1. Excluding the changes at Tulsa, however, decreased holdings of bills and bonds at District city banks were about equal to the increases recorded in holdings of notes and certificates of indebtedness.

Demand deposits at all District member banks increased by 203 million dollars during the four weeks ending December 26. Tulsa banks recorded an increase of 87 million dollars, more than offsetting the sharp decline which occurred at that center during the week just prior to December 1 and contributing substantially to an increase of 166 million dollars at all District reserve city banks. Country banks re-

SELECTED ITEMS OF CONDITION OF TENTH DISTRICT MEMBER BANKS
(In millions of dollars)

	All Member Banks			Reserve City Banks			Country Banks		
	Dec. 26 1951	Nov. 28 1951	Dec. 30 1950	Dec. 26 1951	Nov. 28 1951	Dec. 30 1950	Dec. 26 1951	Nov. 28 1951	Dec. 30 1950
Loans and investments	5,147	5,058	4,756	2,929	2,855	2,637	2,218	2,203	2,119
Loans and discounts	2,067	2,036	1,923	1,228	1,198	1,139	839	838	784
U. S. Government obligations	2,584	2,526	2,348	1,435	1,389	1,236	1,149	1,137	1,112
Other securities	496	496	485	266	268	262	230	228	223
Reserve with F. R. Bank	898	897	830	556	557	531	342	340	299
Balances with banks in U. S.	751	710	744	300	276	320	451	434	424
Cash items in process of collection	378	337	420	353	314	390	25	23	30
Gross demand deposits	6,026	5,823	5,762	3,502	3,336	3,341	2,524	2,487	2,421
Deposits of banks	1,079	1,045	1,003	998	963	926	81	82	77
Other demand deposits	4,947	4,778	4,759	2,504	2,373	2,415	2,443	2,405	2,344
Time deposits	781	774	684	412	409	364	369	365	320
Total deposits	6,807	6,597	6,446	3,914	3,745	3,705	2,893	2,852	2,741
Borrowings	52	74	*	46	67	*	6	7	*

*Less than $500,000.

vealed gains of 37 million dollars in demand deposits.

DEPARTMENT STORE TRADE

The dollar volume of sales at reporting department stores in this District in December was 1 per cent larger than a year earlier, while sales for the year 1951 as a whole showed an increase of 3 per cent. More recently, sales during January, 1952, were running 10 to 15 per cent under a year earlier when a pronounced wave of consumer buying had been in progress. Sales increased less than is usual from November to December of 1951, and the seasonally adjusted index of daily average sales decreased from 116 per cent of the 1947-49 average in November to 113 per cent in December. This level, however, was slightly above the average of 111 per cent for the year 1951 as a whole.

BANK DEBITS

	Dec. 1951	Year 1951	Change from '50 Dec.	Change from '50 Year
	(Thousand dollars)		(Per cent)	
COLORADO				
Colo. Springs	56,962	690,208	−1	+24
Denver*	759,018	9,014,786	+10	+20
Gr. Junction	18,953	210,947	+4	+11
Greeley	29,493	348,073	+4	+20
Pueblo*	53,422	637,649	+8	+18
KANSAS				
Atchison	11,217	130,363	−5	+6
Emporia	14,351	158,317	+2	+15
Hutchinson	52,904	514,570	+15	+14
Independence	10,176	99,506	+18	+14
Kansas City	95,841	1,056,152	+12	+19
Lawrence	14,409	150,417	+20	+17
Manhattan**	13,390	138,573	—	—
Parsons	11,699	115,496	+33	+20
Pittsburg	14,616	158,194	−8	+7
Salina	41,819	472,208	−2	+10
Topeka	107,925	1,233,871	+5	+9
Wichita	312,226	3,614,038	+11	+25
MISSOURI				
Independence**	14,615	154,031	—	—
Joplin	34,159	372,899	+6	+12
Kansas City	1,378,471	15,087,712	+6	+12
St. Joseph	122,117	1,390,967	−2	+13
NEBRASKA				
Fremont	20,828	246,928	−9	+8
Grand Island	30,747	373,608	0	+25
Hastings	15,283	189,260	−6	+15
Lincoln*	98,986	1,121,061	+2	+9
Omaha	671,928	7,787,002	0	+20
NEW MEXICO				
Albuquerque*	121,370	1,512,183	0	+9
Santa Fe**	33,006	407,116	—	—
OKLAHOMA				
Bartlesville	193,869	2,122,765	+11	+25
Enid	41,748	447,715	+10	+5
Guthrie	4,518	56,473	−11	+6
Lawton**	21,855	227,764	—	—
Muskogee	39,621	350,857	+4	+9
Norman**	8,721	100,136	—	—
Okla. City*	418,833	4,820,316	−6	+7
Okmulgee	9,435	90,510	+33	+8
Ponca City	24,802	261,819	+19	+10
Tulsa	780,957	7,756,908	+18	+21
WYOMING				
Casper	46,082	466,850	+31	+26
Cheyenne	36,527	447,526	+1	+17
District, 40 cities*	5,786,899	64,535,774	+6	+16
U. S., 342 cities	144,786,000	1,577,734,000	+4	+12

*Dollar figures include one or more additional reporting banks, beginning January, 1951; however, percentage changes shown are computed from comparable data for both 1951 and 1950.
**New reporting center, beginning January, 1951.

DEPARTMENT STORE SALES AND STOCKS

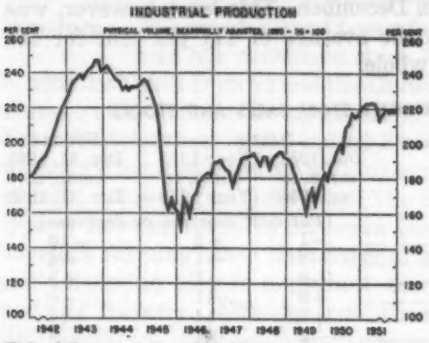
	Sales: Dec. 1951 comp. to Dec. 1950	Sales: Year 1951 comp. to Year 1950	Stocks: Dec. 31, 1951 comp. to Dec. 31, 1950
	(Per cent increase or decrease)		
Denver	−1	+2	−10
Pueblo	−4	−1	−4
Hutchinson	−6	−1	+3
Topeka	+9	+11	−6
Wichita	+6	+14	+14
Joplin	−2	+4	−8
Kansas City	+4	+4	−1
St. Joseph	−4	+1	*
Omaha	+2	+5	*
Oklahoma City	−2	−4	−16
Tulsa	+4	+2	*
Other cities	−3	+1	+1
District	+1	+3	−4

*Not shown separately but included in District total.

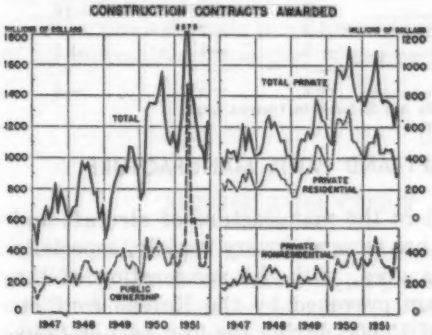
AIRCRAFT AND PARTS MANUFACTURE

Employment in the manufacture of aircraft and aircraft parts has expanded very rapidly, especially in the Wichita area, with the acceleration of the defense program provoked by the Korean conflict. From a level of 13,000 during the first half of 1950, the number of workers engaged in aircraft production in the area tripled by the end of 1951. This constitutes one third of those employed in manufacturing in the state of Kansas and makes Kansas one of the top three or four states in employment in the airframe industry (manufacture or assembly of complete aircraft, exclusive of manufacture of engines, propellers, and parts). Nevertheless, aircraft employment in Wichita is still substantially below the World War II peak of 52,000 workers achieved in 1944. The primary production program under way there at the present time involves the manufacture of B-47 Stratojet bombers; however, training, observation, and private transport planes, as well as various parts, are also made in Wichita.

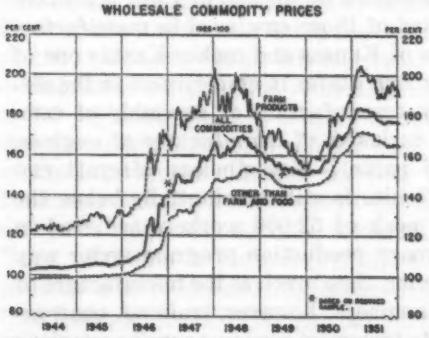
While much of the expansion of aircraft employment in the Wichita area has already taken place in the last year and a half, the aircraft industry will assume new importance in several other localities in the Plains states during 1952. Employment in the production of B-47 bombers at a reactivated plant in the Tulsa area is expected to reach 14,000 during this year. Jet engines are now being produced in a reactivated plant in the Kansas City area, and a new plant for the production of B-47 wings is expected to be in operation by midyear. One of the area's existing automotive assembly plants is being converted gradually to the production of Thunderjet fighter planes.



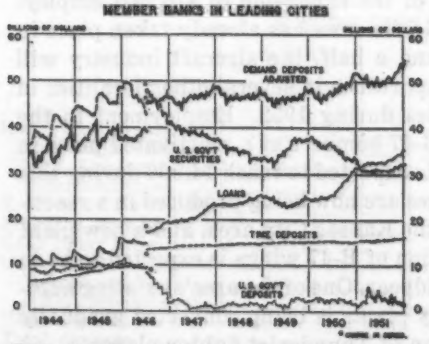
Federal Reserve index. Monthly figures, latest shown is for December, 1951.



F. W. Dodge Corporation data for 37 eastern states. Monthly figures, latest shown are for December, 1951.



Bureau of Labor Statistics' indexes. Weekly figures, latest shown are for week ending January 22, 1952.



Wednesday figures, latest shown are for January 16, 1952.

NATIONAL SUMMARY OF BUSINESS CONDITIONS

By the Board of Governors of the Federal Reserve System

Over-all stability in economic activity continued in December and January. Prices of some basic commodities have weakened in recent weeks, while prices of finished goods have generally been maintained. Bank loans to business expanded considerably in December and showed some decline in early January. Easing in money market conditions in January was reflected in reduction of Federal Reserve holdings of Government securities to the lowest level since early July, 1951.

Industrial Production

The Board's index of industrial production in December was 218 per cent of the 1935-39 average, about the same as in the preceding four months and in December the year before. The index averaged 220 for the year 1951, up 10 per cent from 1950. Durable goods output expanded further in December and topped the previous postwar high reached in April. There were offsetting declines, however, in nondurable goods and minerals.

Activity in producers' equipment and munitions industries generally increased in December. Gains were particularly marked for machine tool, electrical power equipment, and aircraft industries. Output of steel and nonferrous metals held close to the high November rates. In January a rise in steel capacity to 108.6 million tons per year was announced; output was scheduled close to the level of the preceding month but somewhat below the new rated capacity. Curtailed production of building materials in December reflected large inventories and the reduced level of residential construction. Output of household durable goods continued at a level moderately above the summer low and close to the 1947-49 average rate. Auto assemblies were considerably reduced in late December and early January, partly because of model change-overs.

The decline in nondurable goods production in December largely reflected moderate cuts in cotton textiles, paperboard, and newsprint consumption and a more than seasonal decline in manufactured foods. Operations at chemical and rubber plants continued at the high November levels and petroleum refining activity increased slightly further.

Employment

Seasonally adjusted employment in nonagricultural establishments continued unchanged in December. The average workweek at factories in mid-December, however, rose to 41.2 hours, more than half an hour above the level in other recent months. Average factory hourly earnings showed a slight further gain and average weekly earnings advanced considerably to $67.36. Unemployment at 1.7 million was down about 150,000 from November to a level 550,000 below a year ago.

Construction

Value of new construction work put in place showed no change in December, after allowance for seasonal influences. The total for the year rose to 30 billion dollars as building costs were at new record levels and the construction of industrial and military facilities increased sharply. The number of housing units started declined seasonally in December to 62,000, bringing the 1951 total to 1,090,000 as compared with the record 1,396,000 in 1950 and with 1,025,000 in 1949.

Distribution

In the first three weeks of January, seasonally adjusted dollar sales at department stores were close to the high December level, although about one sixth below the record January, 1951, rate. Sales of apparel and other nondurable goods have been maintained in recent months. Sales by automotive and building materials and hardware stores continued to decline in December. Value of department store stocks was reduced less than seasonally in December, according to preliminary estimates.

Commodity Prices

Prices of hides declined sharply and there were moderate decreases in textiles, chemicals, and grains from the early part of December to the latter part of January. Foreign prices of metals, which had been far above domestic levels, also decreased, while the domestic price for tin was advanced. Prices of most foods and other finished goods have continued to change little. Manufacturers' ceilings and selling prices on new models of some leading makes of autos were raised about 5 per cent in the latter part of January.

Money and Bank Credit

Bank credit, particularly business loans, expanded more sharply than usual in December and then contracted somewhat early in January. Metal and metal product manufacturers have been particularly important borrowers in recent weeks.

The December credit expansion contributed to a substantial rise in the private money supply—the amount of currency and bank deposits held by businesses and individuals. The money supply has not experienced its usual decline in January mainly because of a large transfer of bank balances from Treasury to private accounts.

Member bank reserve positions tightened sharply in the last half of December and eased considerably early in January. Federal Reserve holdings of Government securities have declined sharply in January and are now below the level of a month ago and at about the level of April, 1951, following the Treasury-Federal Reserve accord.